State of Iowa - Return on Investment Program / IT Project Evaluation

Tracking Number (For Project Office Use)

SECTION 1: PROPOSAL

Project Name: **Elder Affairs - Getting and Staying on Board the Information Technology Train for Improved Efficiency and Effectiveness**

Date: 10/18/00

Agency Point of Contact for Project: Greg Anliker

Agency Point of Contact Phone Number / E-mail:
Ph:515-242-3303 / e-mail: greg.anliker@dea.state.ia.us

Executive Sponsor (Agency Director or Designee) Signature: Dr. Judith A. Conlin, Director

Is this project necessary for compliance with a Federal standard, initiative, or statute? (If "Yes," cite specific requirement, attach copy of requirement, and explain in Proposal Summary)	X Yes	
Is this project required by State statute? (If "Yes," explain in Proposal Summary)		x No
Does this project meet a health, safety or security requirement? (If "Yes," explain in Proposal Summary)		x No
Is this project necessary for compliance with an enterprise technology standard? (If "Yes," explain in Proposal Summary)		x No
Does this project contribute to meeting a strategic goal of government? (If "Yes," explain in Proposal Summary)	x Yes	
Is this a "research and development" project? (If "Yes," explain in Proposal Summary)		x No

PROPOSAL SUMMARY: In written detail, explain why the project is being undertaken and the results that are expected. This includes, but is not limited to, the following:

1. **A pre-project (before implementation) and a post-project (after implementation) description of the system or process that will be impacted.**

Response:

Pre-Project: An important part of the proposal directly relates to mandatory data collection and reporting to the Federal Government (the National Aging Program Information System). The second part relates to the wisdom of cyclical replacement of software and current hardware and uniformity in software which means increased efficiency.

Post-Project: The project will result in improved efficiencies related to software and computer training, internal and external electronic communications and reporting. All of these relate to improved responsiveness to our customers throughout Iowa, state and federal government.

2. **A summary of the extent to which the project provides tangible and intangible benefits to either Iowa citizens or to State government. Included would be such items as qualifying for additional matching funds, improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, complying with enterprise technology standards, meeting a strategic goal, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, complying with federal or state laws, etc. NA**

Response: Our proposal is specifically intended to improve our responsiveness to our customers and would do so by improving staff efficiency and communications which in turn reduces government hassle factor, providing enhanced management data collection software and analysis capacity, and allows for enhanced data based decisions making primarily through improved work processes, and improved compliance with federal and state data collection and reporting requirements. The project also includes training costs related to the utilizing the enhanced software capabilities.

3. **A summary that identifies the project stakeholders and how they are impacted by the project.**

The project helps us maintain the current Management Information System Software which positions us to better manage data collection, monitoring, analysis and reporting software needed for submission of required information to the U.S. Administration on Aging, as well as, to entities in State Government for the Senior Living Program. That software is being upgraded which will be accompanied by a significant increase in annual license fee. Maintaining this software and providing training on effectively using the software enhancements eliminates even greater costs to our Department, our primary customers (Area Agencies on Aging) and their service providers by avoiding the expenditure of tremendous amounts of time and resources to identify and purchase a viable alternative software package and more importantly, time and expense of data conversion or data re-entry, “start over” training and related costs for service providers and Area Agency on Aging throughout the State and at Department.

Additionally, the project helps position us to upgrade our computer system on a cyclical basis, which results in efficiency for staff and the customers they serve. The last related piece is database conversion. Currently over a dozen different databases are maintained in the Department using five different software packages. We need to convert these databases to Microsoft Access so that we can maximize our staff training and expertise with a leading contemporary software program.

The stakeholders in this project include: the Federal government, ourselves, Iowa’s Area Agencies on Aging, elderly population, families, caregivers, taxpayers, General Assembly and Executive branch.

State Government Benefit: Improved effectiveness and efficiency.

Citizen Benefit: Improved effectiveness and efficiency.

Opportunity Value/Risk or Loss Avoidance Benefit:

This is the most appropriate place to demonstrate the financial benefits of this proposal and the example of the financial savings reflected in Section 3 of this proposal.

Under this proposal we are focusing largely on a loss avoidance benefit. Our primary service data collection system relies on a custom software package used by 18 of the 50 states to meet federal Older Americans Act reporting requirement to the U.S. Administration of Aging. The same software package is being used to collect the vast majority of required data elements to

report to the Governor and the General Assembly on the home and community based services delivered under the Senior Living Program. Synergy Software Technologies, Inc provides the software, "Senior Assistance Management System" or SAMS. The software package is being re-written as a 32 bit system to enhance capabilities, speed, etc. However, these enhanced capabilities will come with a price – essentially the license is projected to have a 500% increase in cost. While that sounds extreme – the alternative to changing software is believed to be even more extreme.

Within the last 18 months our Department researched availability of alternate software packages, selected this package and began working with our primary contractors (Area Agencies on Aging) and their hundreds of service providers to collect the data required by the Older Americans Act and data elements for the state's new Senior Living Program.

The cost of changing to another software package and the associated costs of retraining at the state, area and community level, are conservatively estimated to be at least ten times greater than the increased license costs. Those costs includes upfront costs for software research time, new software purchase, training and support, time and energy at all levels for data conversion and entry.

Benefits Not Cost Related or Quantifiable:
There are other non-quantifiable benefits include the convenience and reduced "hassle" items to all of our customers/stakeholders under this proposal in regard to greater staff effectiveness and efficiency related to uniform hardware and software within our department and full data base conversions to Microsoft Access. These changes should allow being more responsive in terms of data analysis, program management and associated requests for information.

SECTION 2: PROJECT PLAN

Individual project plans will vary depending upon the size and complexity of the project. A project plan includes the following information:

1. Agency Information

Project Executive Sponsor Responsibilities: Identify, in Section I, the executive who is the sponsor of the project. The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

Response: Dr. Judith Ann Conlin, Director

Organization Skills: Identify the skills that are necessary for successful project implementation. Identify which of these skills are available within the agency and the source(s) and acquisition plan for the skills that are lacking.

Response: We will consult with ITD staff for the technical portions and guidance related to hardware and uniform software. Greg Anliker and other IDEA staff will undertake the other skills necessary. Those skills include communication, coordination, negotiation and organization.

2. Project Information

Mission, Goals, Objectives: The project plan should clearly demonstrate that the project has developed from an idea to a detailed plan of action. The project plan must link the project to an agency's mission, goals, and objectives and define project objectives and how they will be reached. The project plan should include the following:

A. **Expectations**: A description of the purpose or reason that the effort is being undertaken and the results that are anticipated.

Response: The project is being undertaken in response to a federal reporting mandate, software to enhance the analysis and management of programs and services and the associated training for ourselves and our partners to effectively utilize the improved capabilities, efforts to continue cyclical upgrading of equipment and data base conversion to improve effectiveness of staff software training and proficiency.

Measures: A description of the set of beliefs, tradeoffs and philosophies that govern the results of the project and their attainment. How is the project to be judged or valued? What criteria will be used to determine if the project is successful? What happens if the project fails?

Response: The **beliefs** are simple and straightforward – improved reporting software, data analysis, data based decision-making, and software and hardware uniformity all relate to improved responsiveness to our customers at all levels.

The measure of success will be whether or not we can continue our cycle of software and hardware upgrades, convert and consolidate department databases and support only Microsoft Access in terms of training and proficiency, maintain the current Management Information System related to federal and state reporting and forego the time and resources required to of research, purchase, and develop and provide training for alterative MIS/reporting software - thereby avoiding all of the associated costs and frustrations of "starting over". **Project failure is not an option.**

B. **Environment:** Who will provide input (e.g., businesses, other agencies, citizens) into the development of the solution? Are others creating similar or related projects? Are there cooperation opportunities?

Response: The department will collaborate with Area Agencies on Aging (AAA), ITD and appropriate internal staff to plan and implement the project.

C. **Project Management and Risk Mitigation**: A description of how you plan to manage the project budget, project scope, vendors, contracts and business process change (if applicable). Describe how you plan to mitigate project risk.

Response: The department will coordinate with the Synergy and the AAAs to maximize the effectiveness of the external training components associated with the enhanced MIS/reporting software. We will also work with ITD to verify appropriateness of upgrading the computers and uniformity of our software for internal use and the database conversions.

D. **Security / Data Integrity / Data Accuracy / Information Privacy**: A description of the security requirements of the project? How will these requirements be integrated into the project and tested. What measures will be taken to insure data integrity, data accuracy and information privacy?

Response: There are no new Security/Data Integrity/Data Accuracy/Information Privacy issues that don't currently exist.

3. Current Technology Environment (Describe the following):

A. **Software (Client Side / Server Side / Midrange / Mainframe)**

- Application software
- Operating system software
- Interfaces to other systems: Identify important or major interfaces to internal and external systems

Response: There is currently a mix of software and hardware in the department. All are IBM compatible but otherwise the speed and capabilities vary widely.

B. **Hardware (Client Side / Server Side / Mid-range / Mainframe):**

- Platform, operating system, storage and physical environmental requirements.
- Connectivity and Bandwidth: If applicable, describe logical and physical connectivity.
- Interfaces to other systems: Identify important or major interfaces to internal and external systems.

Response: Same as "A." above.

4. Proposed Environment (Describe the following):

A. Software (Client Side / Server side / Mid-range / Mainframe)

- Application software.
- Operating system software.
- Interfaces to other systems: Identify important or major interfaces to internal and external systems.
- General parameters if specific parameters are unknown or to be determined.

Response: The project plan is to put in place uniform software uniformity at all workstations in the department: Windows 98 and Office 2000 – Pro. The project will also put into place an enhanced version of our MIS/Reporting software and provide for the related training to maximize those enhancements in our office and those of the Area Agencies on Aging. All software is Microsoft Windows 98 based applications.

B. Hardware (Client Side / Server Side / Mid-range / Mainframe)

- Platform, operating system, storage and physical environmental requirements.
- Connectivity and Bandwidth: If applicable, describe logical and physical connectivity.
- Interfaces to other systems: Identify important or major interfaces to internal and external systems.
- General parameters if specific parameters are unknown or to be determined.

Response: The **hardware** minimums will be Windows based Pentium III, 500+Mhz. Computers or other ITD recommended specifications at the time of purchase and available funds.

Data Elements: If the project creates a new database the project plan should include the specific software involved and a general description of the data elements.

Response: No new databases are created by our project. The project does involve several database conversions to Microsoft Access from various other applications.

Project Schedule: A schedule that includes: time lines, resources, tasks, checkpoints, deliverables and responsible parties.

Response: Minimum software and hardware determination finalized by 10/01/01
Purchases of software and hardware by 10/31/01
Training for the MIS/Reporting software enhancements by 11/30/01
Installation of the enhanced MIS/Reporting software by 12/15/01
Conversion of existing databases to MS Access by 03/31/02

SECTION 3: Return On Investment (ROI) Financial Analysis

Project Budget:

Provide the estimated project cost by expense category.

Personnel	$ 0
Software	$ 11,750.00
Hardware	$ 18,750.00
Training	$ 0.00
Facilities	$ 0.00
Professional Services	$ 5,000.00
Supplies	$ 0.00
Other (Network Server related support & maintenance)	$ 4,500.00
Total	$ 40,000.00

Project Funding:

Provide the estimated project cost by funding source.

State Funds	$ 40,000.00	100	% of total cost
Federal Funds	$ 0.00		% of total cost
Local Gov. Funds	$ 0.00		% of total cost
Private Funds	$ 0.00		% of total cost
Other Funds (Specify)	$ 0.00		% of total cost
Total Cost:	$ 40,000.00	100	% of total cost

How much of the cost would be incurred by your agency from normal operating budgets (staff, equipment, etc.)? ..... $ 0.00 0 %

How much of the cost would be paid by "requested IT project funding"? .. $40,000.00_100.00%

Provide the estimated project cost by fiscal year: FY__2002_ $40,000.00_____

Annual Maintenance Cost of the System is expected to be negligible.

ROI Financial Worksheet Directions (Attach Written Detail as Requested):

Annual Pre-Project Cost -- Quantify, in written detail, all actual State government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

Annual Post-Project Cost -- Quantify, in written detail, all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

State Government Benefit -- Subtract the total "Annual Post-Project Cost" from the total "Annual Pre-Project Cost." This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

Citizen Benefit -- Quantify, in written detail, the estimated annual value of the project to Iowa citizens**.** This includes the "hard cost" value of avoiding expenses (hidden taxes) related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses.

Opportunity Value/Risk or Loss Avoidance Benefit -- Quantify, in written detail, the estimated annual benefit to Iowa citizens or to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc. **Response: Included in Section 1, Part 3, 2nd to last paragraph.**

Total Annual Project Benefit -- Add the values of all annual benefit categories.

Total Annual Project Cost -- Quantify, in written detail, the estimated annual new cost necessary to implement and maintain the project including consulting fees, equipment retirement, ongoing expenses (i.e. labor, etc.), other technology (hardware, software and development), and any other specifically identifiable project related expense. In general, to calculate the annual hardware cost, divide the hardware and associated costs by three (3), the useful life. In general, to calculate the annual software cost, divide the software and associated costs by four (4), the useful life. This may require assigning consulting fees to hardware cost or to software cost. A different useful life may be used if it can be documented.

Benefit / Cost Ratio – Divide the "Total Annual Project Benefit" by the "Total Annual Project Cost." If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

ROI -- Subtract the "Total Annual Project Cost" from the "Total Annual Project Benefit" and divide by the amount of the project funds requested.

Benefits Not Cost Related or Quantifiable -- List the project benefits and articulate, in written detail, why they (IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.) are not cost related or quantifiable. Rate the importance of these benefits on a "1 – 10" basis, with "10" being of highest importance. Check the "Benefits Not Cost Related or Quantifiable" box in the applicable row.

ROI Financial Worksheet

Annual Pre-Project Cost - How You Perform The Function(s) Now	
FTE Cost (salary plus benefits):	N/A
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	N/A
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	N/A
A. Total Annual Pre-Project Cost:	N/A
Annual Post-Project Cost – How You Propose to Perform the Function(s)	
FTE Cost:	N/A
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	N/A
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	N/A
B. Total Annual Post-Project Cost:	N/A
State Government Benefit (= A-B):	N/A
Annual Benefit Summary	
State Government Benefit:	0.00
Citizen Benefit (including quantifiable "hidden taxes"):	0.00
Opportunity Value and Risk/Loss Avoidance Benefit:	$80,000.00
C. Total Annual Project Benefit:	$80,000.00
D. Total Annual Project Cost:	$40,000.00
Benefit / Cost Ratio (C / D):	2
ROI (C – D / Project Funds Requested):	100%
x Benefits Not Cost Related or Quantifiable (including non-quantifiable "hidden taxes")	